

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS:**

Grade AA butter, in weekly trading, decreased 19 cents to \$2.6100.

In daily cash cheese trading, barrels closed at \$1.7625 on Friday, October 2, and blocks ended the week at \$1.7925. The weekly average close is \$1.7565 for barrels and \$1.7815 for blocks.

In daily cash nonfat dry milk trading, the close on Friday, October 2, is \$1.1650 for Extra Grade and \$1.1625 for Grade A. The weekly average for Extra Grade is \$1.1650 and \$1.1625 for Grade A.

BUTTER: The market tone is unsettled. Overall buying interest slowed this week as many buyers, anticipating weaker prices, are delaying placing orders. Stocks of butter remain in close balance. Churning schedules are fair. Butter producers are hesitant to take on additional cream volumes at this time unless prices are favorable. Inventories at most levels are minimal as producers, handlers, and buyers maintain stock levels that are financially comfortable due to potential price volatility.

CHEESE: The cash cheddar cheese market remains firm with new record high prices reached on both blocks and barrels. Cheese demand remains generally good. Many plants are fully committed on their anticipated output for 2 - 3 weeks which is limiting sources for spot supplies. Cheese supplies are short to barely adequate, depending on variety. Overall output is about steady, reflecting local milk availability.

FLUID MILK: Fluid milk demand is strong in most areas of the country which is typical for the period around the first of a month. Production in most regions of the country is steady to slightly higher, except in the Southeast where cows are still reacting to recent adverse conditions caused by Hurricane Georges. Milk shipments into this region went from extremely high to very low and are again very good as pipelines get refilled. Hurricane Georges dumped heavy rains on much of the Gulf Coast this past week. Flooding and power outages were common which effected milking and transportation schedules in a wide area. In the areas where Georges was predicted to come ashore, grocery stores were pretty well sold out of most items before the storm and are now scrambling to restock. It is too early to know if any farm milk was dumped because of flooding and the inability of trucks to get to farms.

DRY PRODUCTS: Nonfat dry milk markets are steady to firm, but with

CCC selling back NDM at \$1.1000, the number of higher asking prices seems to have lessened. Overall stock levels range from in close balance to tight. Buyers are cautious as they see only nearby tightness of the NDM market and expect offerings to increase as more milk becomes available to butter/powder operations. In addition, several DEIP contracts should be completed soon. Buttermilk powder markets are steady to slightly firmer. Offerings are generally limited as churning schedules have been light and sales of condensed buttermilk remain active. The whey market tone is steady to weaker. Output is up slightly and the sluggish demand has stocks accumulating at some locations.

CCC: During the final 3 days of the fiscal year, September 28 - 30, CCC purchased no dairy products and received no cancellations. They did sell back 1,812,950 pounds of NDM at \$1.1000 per pound.

During the fiscal year, October 1, 1997 - September 30, 1998, CCC purchased no butter or cheese, but purchased 121,272,543 pounds of NDM under the dairy support program. The 97/98 purchases compare to no butter, 1,907,558 pounds of cheese, and 31,917,042 pounds of NDM during the 96/97 fiscal year.

WEEKLY DAIRY PRODUCTS PRICES REPORT (NASS): The U.S. Department of Agriculture's National Agricultural Statistics Service will begin publishing weekly prices for butter, nonfat dry milk, and dry whey on Friday October 9, 1998 at 8:30 a.m. (ET). Prices for these three items will be published along with the price for cheddar cheese in a new report entitled "Dairy Products Prices." The new report will provide information on weighted average prices received and aggregated volumes of sales. The October 9 report will contain data for the weeks ending September 5 through October 3, 1998. Subsequent weekly reports will have the most recent five weeks of data in each report. The Dairy Products Prices report is based on a survey of manufacturers that sell these specific products on a bulk, wholesale basis. The surveys were begun at the request of the Secretary of Agriculture. The purpose of the report is to provide a statistically defensible price series for cheddar cheese, butter, nonfat dry milk, and dry whey to satisfy industry and USDA needs.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-42,000 lbs.

PRODUCT	MONDAY SEP 28	TUESDAY SEP 29	WEDNESDAY SEP 30	THURSDAY OCT 1	FRIDAY OCT 2	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.7525 (N.C.)	\$1.7525 (N.C.)	\$1.7525 (N.C.)	\$1.7625 (+.0100)	\$1.7625 (N.C.)	+.0100	\$1.7565 (+.0055)
40# BLOCKS	\$1.7725 (N.C.)	\$1.7725 (N.C.)	\$1.7825 (+.0100)	\$1.7875 (+.0050)	\$1.7925 (+.0050)	+.0200	\$1.7815 (+.0230)
NONFAT DRY MILK							
EXTRA GRADE	\$1.1650 (N.C.)	\$1.1650 (N.C.)	\$1.1650 (N.C.)	\$1.1650 (N.C.)	\$1.1650 (N.C.)	N.C.	\$1.1650 (N.C.)
GRADE A	\$1.1625 (N.C.)	\$1.1625 (N.C.)	\$1.1625 (N.C.)	\$1.1625 (N.C.)	\$1.1625 (N.C.)	N.C.	\$1.1625 (-.0005)
BUTTER							
GRADE AA	----	----	----	----	\$2.6100 (-.1900)**	----	----

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM ** Last week's change should have been minus 1 cent.

CHICAGO MERCANTILE EXCHANGE

Trading Activity - September 28 - October 2, 1998

MONDAY, SEPTEMBER 28, 1998

CHEESE -- SALES: 1 CAR BARRELS @ \$1.7525, 1 CAR TWO MONTH OLD 40# BLOCKS @ \$1.7600; BIDS UNFILLED: 2 CARS BARRELS @ \$1.7525, 2 CARS 40# BLOCKS @ \$1.7725; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ \$1.0850; OFFERS UNCOVERED: NONE

TUESDAY, SEPTEMBER 29, 1998

CHEESE -- SALES: 2 CARS 40# BLOCKS: 1 @ \$1.7750, 1 @ \$1.7725; BIDS UNFILLED: 2 CARS BARRELS @ \$1.7525; 1 CAR 40# BLOCKS @ \$1.7725; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ \$1.0850; OFFERS UNCOVERED: NONE

WEDNESDAY, SEPTEMBER 30, 1998

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.7825; BIDS UNFILLED: 2 CARS BARRELS @ \$1.7525; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.7850

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ \$1.0850; OFFERS UNCOVERED: NONE

THURSDAY, OCTOBER 1, 1998

CHEESE -- SALES: 2 CARS 40# BLOCKS @ \$1.7875; BIDS UNFILLED: 5 CARS BARRELS: 4 @ \$1.7625, 1 @ \$1.7525; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, OCTOBER 2, 1998

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.7925; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.7925, 1 @ \$1.7875; 3 CARS BARRELS @ \$1.7625; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.7975

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 2 CARS: 1 @ \$2.5700, 1 @ \$2.6000; BIDS UNFILLED: 1 CAR @ \$2.6100; OFFERS UNCOVERED: 9 CARS: 1 @ \$2.7100, 1 @ \$2.7200, 1 @ \$2.7975, 6 CARS @ \$2.8000

BUTTER MARKETS**NORTHEAST**

The premium structure is unchanged. On September 25, Grade AA butter at the CME decreased 1 cent to \$2.8000. Contacts still wonder which direction the market is going. During the past three weeks, after jumping nearly 47 cents on September 4, butter prices have moved 1-2 cents higher and lower with no clear-cut trend. Last week, excess cream volumes were a little heavier than they have been. Many reports indicate that butter makers were not in the cream-buying mood at current market prices. Contacts wonder if this a signal that prices may not move much higher. Others, however, still feel that prices could move higher. Demand for bulk and print butter are mostly unchanged. High retail prices are often a deterrent to sales, but sales volumes are reportedly holding up quite well.

CENTRAL

The market tone is mixed with wholesale differentials unchanged. Recent higher and lower price fluctuations at the Chicago Mercantile Exchange are causing butter producers, handlers and buyers to question current market stability. In light of mixed opinions, sales activity is somewhat lighter this week. Buyers that can, are delaying additional orders until after the next trading session. Consumers at the retail level are now becoming increasingly aware of sharply higher prices. The higher prices are being met with buyer resistance, but "loyal" butter consumers continue to purchase butter at current price levels. Stocks of butter are reported to be in close balance for current needs. Producers and handlers are reporting that buyers are cautious about maintaining manageable inventories during the potentially unsettled time.

WEST

Western butter price differentials are being lowered as buyers resist higher offering prices. The market undertone is unsettled and weak. Recent cash trading price fluctuations at the Chicago Mercantile Exchange are giving cause for concern on the part of potential buyers. In many instances, buyers anticipate prices will decline in the near future, thus they are unwilling to acquire more butter than very near term demand will clear. Producers that have had additional butter stocks and have been able to clear them with relative ease, are finding sales more difficult at this time. At current price levels, buyers do not want inventory levels that would be detrimental to them if prices decline substantially.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS,
TRUCKLOAD QUANTITIES.

FIGURES REPRESENT THE RANGE IN PREMIUMS OR DISCOUNTS
(CENTS/POUND) FROM THE CME GRADE AA CASH BUTTER CLOSE
SEPTEMBER 25, 1998 CLOSE = \$2.8000

STYLE	NORTHEAST	CENTRAL	WEST
BULK	+3 TO +5	flat TO +4	-3 TO flat

NASS CHEDDAR CHEESE PRICE SURVEY

WEEK ENDING	MN/WI	40# BLOCKS		640# BLOCKS		BARRELS (adjusted to 39% moisture)		
		WEST	U.S.	U.S.	U.S.	OTH STATES	U.S.	
SEPTEMBER 25	1.7306	1.6572	1.6806	1.6903	1.7118	1.6376	1.6563	
	1,521,506	3,683,775	5,295,418	297,329	1,880,829	5,400,735	7,281,564	

Further data and revisions may be found on the Internet at: <http://usda.mannlib.cornell.edu/reports/nassr/price/cheddar/>

CHEESE MARKETS

NORTHEAST

Prices are generally 4 - 4 1/4 cents higher on natural cheddar and process items, unchanged on Swiss. The market tone is firm, but unsettled. Prices at the CME are at record high levels which are having some impact on sales and inventory levels. Producers report a good demand for mozzarella and steady interest in cheddar. There is a good call for gift pack items as holiday catalog companies stock up for the holiday season. Retail and food service demand is mostly steady. Cheese production in the Northeast is mostly steady, but a little more surplus milk is expected to be available over the next couple weeks.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.7625-2.2425
Cheddar Single Daisies	:	1.7325-2.2475
Cheddar 40# Block	:	1.8975-2.0475
Process 5# Loaf	:	1.9375-2.0900
Process 5# Sliced	:	1.9675-2.1500
Muenster	:	1.9300-2.2550
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

MIDWEST

The cheese market continues firm. At the Chicago Mercantile Exchange after the fourth week of daily cash trading, barrels advanced 0.5 cent to close on September 25 at \$1.7525, and blocks increased 2.5 cents to \$1.7725. Both weekly closes are again new record high prices. Orders are still being shorted or delayed as producers are unable to make product fast enough to satisfy demand. However, sellers are noticing current orders are less aggressive than past weeks. Some plants have their anticipated production fully committed for 2 or more weeks into the future. Limited attempts to raise premiums are meeting with mixed results. Process interest remains seasonally good. Barrels remain snug to short. Other processing solids continue hard to find. Mozzarella supplies are short to barely adequate, depending on supplier. At current prices, cheese placed into aging programs for next year is limited. Milk supplies remain tight though for some, somewhat lighter demand from southern buyers is allowing production of a few extra vats.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.9200-2.0200
Brick And/Or Muenster 5#	:	2.0000-2.2400
Cheddar 40# Block	:	1.9150-2.0225
Monterey Jack 10#	:	1.9150-2.2225
Blue 5#	:	2.3750-2.5600
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.9150-2.1025
Grade A Swiss Cuts 6 - 9#	:	2.4000-2.4850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	SEPTEMBER 28 - OCTOBER 2, 1998
BARRELS*	:	\$1.7500 - 1.7900 (NOMINAL)
	:	(\$0.0375) (.0575)
40# BLOCKS	:	\$1.7575 - 1.8025 (NOMINAL)
	:	(\$0.0175) (.0325)

() Change from previous week. * If steel, barrel returned.

WEST

Prices for most Western produced cheese continue to increase following firmer prices at the Chicago Mercantile Exchange. Overall production continues to edge lower seasonally. Stocks of cheese are reported to be mixed. Barrels are tight while blocks are more available. Swiss demand is seasonally good. Demand at this time is also mixed. Buyers are acquiring sufficient volumes of cheese to meet immediate needs and are more cautious to maintain inventory levels at manageable levels.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.9100-2.1625
Cheddar 40# Block	:	1.8725-2.0225
Cheddar 10# Cuts	:	2.0825-2.2825
Monterey Jack 10#	:	2.0925-2.2450
Grade A Swiss Cuts 6 - 9#	:	2.3900-2.4900

FOREIGN TYPE

Domestic prices are generally 4 cents higher with imported styles still reported as unchanged. Importers note that EU suppliers have more cheese to move and some are often discounting prices to stimulate interest. Some of this extra cheese was earmarked for sale to Russia, but is now looking for other outlets. Here in the U.S., demand for foreign type cheese is slow to fair. With the CME cheese prices at record high levels, some imported styles are looking financially attractive to some processors. Demand for table cheeses is about steady.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 2.0950-2.7050*
Gorgonzola	: 3.2400-5.9400	: 2.4900-2.7900*
Parmesan (Italy)	: TFEWR	: 3.5050-3.5450*
Romano (Italy)	: 2.0900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.7675-2.2950*
Romano (Cows Milk)	: -0-	: 3.2725-3.6150*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE	
	:
09/28/98	6,727 : 100,808
09/01/98	7,513 : 110,416
CHANGE	-786 : -9,608
% CHANGE	-10 : -9

FLUID MILK AND CREAM

E A S T

Hurricane Georges dumped heavy rains on much of the Gulf Coast this week. Flooding and power outages were common which effected milking and transportation schedules. Contacts note that it is too early to know if any farm milk was dumped because of flooding and the inability of trucks to get to farms. Also, the loss of power and refrigeration caused problems at retail outlets. In the areas where Georges could have come ashore, grocery stores were pretty well sold out of most items before the storm and are now scrambling to restock. Milk orders went from extremely high to very low and are again very good as the pipelines get refilled. Florida handlers have scheduled 166 loads to be imported this week. This compares to 179 for the same week a year ago. Parts of the Florida Panhandle are still flooded and highways are closed. This necessitated haulers to go around the storm affected areas to deliver milk. Handlers in other Southeastern states imported roughly 315 loads to meet their needs. Milk production is steady to lower in the Southeast and it may take some time for the cows to overcome the stress caused by all the rain and possible changes to milk schedules. In the Middle Atlantic and Northeast areas the milk flow is also steady to lower. Fluid milk supplies are tight. Orders for milk increased again this week as Class I pipelines are being refilled in the storm affected areas and to meet the typical first of the month demand. Surplus milk volumes are tight and many manufacturing plants are running at less than desired levels. The condensed skim market is firm and prices are steady to lower. Contacts note that prices for both September and October will be about the same. However, wet solids prices could and would be effected by butter pricing. If butter drops, condensed skim would likely increase. The fluid cream market is mixed, often weaker. Offerings are heavier and not clearing as fast as they have been. Lower multiples, within the range, are common. Suppliers report that butter makers are not taking much outside cream unless prices are attractive. Ice cream production is steady to slower. Cream cheese output is starting to show more signs of increasing, but the high price of cream continues to be a deterrent.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	3.5280 - 3.9567
Delivered Equivalent Atlanta	-	3.5840 - 3.9200 M 3.6960 - 3.7520
F.O.B. Producing Plants: Upper Midwest	-	3.5840 - 3.8080

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	.8000 - 1.0500
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M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
SEPTEMBER 25 - OCTOBER 1, 1998	14
PREVIOUS WEEK	51
COMPARABLE WEEK IN 1997	32

DESTINATIONS: KENTUCKY 9, TENNESSEE 5

Local area Class I demand was steady to stronger, bolstered by the usually stronger first of the month demand and scattered retail feature activity. The stronger local demand reduced the milk volume that some handlers had available for sale to Southern buyers. Reported shipments to the South from Michigan and Minnesota were also lower. As in recent weeks, another 21 loads of Wisconsin milk were "direct shipped" to Tennessee and 42 loads to Missouri and pooled under a Southern Federal Order. Spot manufacturing milk supplies are limited and prices

rebounded on a very limited sample. Reported prices were \$3.50 and higher over class for both manufacturing and Class I supplies. Cream supplies are loosening and demand is steady to slower. Ice cream production is trending lower seasonally though increased cream cheese output is offsetting ice cream's utilization. Plant incoming milk receipts are irregularly about steady. Fat and protein tests are inching higher as farmers work rations to capture part of current high butterfat and protein prices. Reports indicate reduced herd culling rates. Temperatures continues somewhat above seasonal norms with frost thus far limited to northern sections of the northern tier of states.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	SEP 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	\$ 28.00- 33.00	\$ 32.00- 39.00
REPLACEMENT HEIFER CALVES	\$165.00-220.00	\$110.00-155.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	SEP 24 - 30	PREVIOUS YEAR
SLAUGHTER COWS	\$ 28.00- 36.25	\$ 33.00- 40.25

W E S T

August pool receipts of milk in California total 2.223 billion pounds, down 1.7% from last year. Cumulative pool output for the first eight months of the year total 17.8 billion pounds, up 1.5% from the same period in 1997. The blend price, at a fat test of 3.47%, is \$1.24 higher than July at \$15.63. The percentage of receipts used in Class 1 products is 23.28%. The August quota price is \$16.84 and the base and overbase prices are \$15.14. These prices are \$1.31 higher than last month and \$3.28 higher than August 1997. Production in the Southwest continues the trend of the past couple weeks higher. The main reason behind the increased output is the ever improving weather. Additional cows are being added to the milking herd, despite higher milk cow prices. Cow cull rates are lower, due both to poor cull cow prices and producers wanting to get as much milk as possible with high milk prices and lower feed costs. Production in California continues to improve. While still below pre-heat levels, plants are reporting milk volumes and tests are increasing. Cooler temperatures in Arizona are allowing milking conditions to improve. Plants are welcoming the extra milk. Cream is more plentiful than it has been in several months. Multiples are retreating lower in the mid 110's to mid-120's range. Additional demand for cream in cream-based items was present as buyers took advantage of September Class prices. October cream prices in California and Federal Orders are increasing. Wholesale ice cream prices are stated to be increasing by approximately 25 cents per half gallon. This will, most likely, be fully passed on to consumers at the retail level. Milk production in the Northwestern part of the U.S. is basically holding steady with some handlers reporting a slight increase in receipts. Favorable weather conditions have prevailed in the region over the past week which allowed silage harvesting and 3rd and 4th crop hay harvest to continue. In the Pacific Northwest, silage harvest is reported to be trailing last year at this time. Although the silage corn crop is classified as excellent, reports indicate that only 20% of the total crop has been harvested at this time. The harvesting of fall crops will be further delayed as the weather forecast is predicting rainfall for much of the region by the weekend. Hay prices are weak with quality also lower than producers desire. In most instances dairy producers are feeding poorer quality, although more, better quality hay is starting to become available.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 10/1/98 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices and the market tone are mostly steady. Demand has eased following last week's CCC announcement. This has caused producers to reconsider offering prices as users now have another purchasing option. As of September 23, the CCC sold back 2.2 million pounds of NDM to the industry at a price of \$1.1000. Additional inquiries to the CCC have been reported. Producer offerings remain limited, but powder is becoming more available through resellers. Production schedules range from light to inactive.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0800 - 1.1500 MOSTLY: 1.0800 - 1.1000

DRY BUTTERMILK - CENTRAL

Prices and the market tone are steady. Producer offerings are available, but buying interest is only fair. Interest from ice cream producers is tapering off as the season comes to an end. Production levels are lower and stocks are often balanced with current demand.

BUTTERMILK: .9600 - 1.0275

DRY WHEY - CENTRAL

Prices are lower and the market undertone is weak. Demand is fair, at best. Some producers are offering multi-load deals to liquidate stocks, while considerable discounts can also be found through resellers. The slow animal feed business is adversely affecting the commercial market. Stocks range from balanced to long depending upon edible and animal feed sales activity. Production levels remain lower as fluid milk shipments continue to the South.

NONHYGROSCOPIC: .2600 - .2950 MOSTLY: .2800 - .2825

ANIMAL FEED WHEY - CENTRAL

Prices for milk replacer and standard are lower on the top end of the range; unchanged on roller ground and delactose. All prices are nominal. The market tone for milk replacer and standard is weaker. Overall feed business is slow. Many buyers are purchasing only on an as-needed basis. Manufacturers anticipate that the upcoming cooler weather will increase customer usage. Typically, animals consume more feed as temperatures drop. Due to the recent lack of demand, supplies of feed grade whey are plentiful. The roller ground market is steady as producers continue to fill contracts. The delactose market is absorbing most of the feed interest. Sales are more active and stocks are occasionally short of needs.

MILK REPLACER: .2400 - .2650
STANDARD: .2200 - .2350
ROLLER GROUND: .2900 - .2975
DELACTOSE (Min. 20% protein): .3275 - .3600

LACTOSE - CENTRAL AND WEST

Prices adjusted lower and the market tone is steady to weaker. Spot demand remains on the slow side. Many producers are focusing on fourth quarter contracts and competing for export business. Reduced demand over the last quarter from Asian buyers continues to pressure the market. As a result, prices are being negotiated, often lower, to guarantee the business. However, contract volumes are often higher which could help to alleviate some of the larger stocks.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1600 - .2400 MOSTLY: .1700 - .1900

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are higher on the range, but the mostly is unchanged. The market tone is mostly steady. Some contacts believe prices may be near the top as the market begins to "settle". Stocks are limited at some plants while others are beginning to offer product again. This is a good indication that inventories are in better balance compared to previous weeks. In addition, offerings from resellers continue to fill customer needs. Production levels are lower due to the availability of condensed whey.

EXTRA GRADE 34% PROTEIN: .6000 - .6350 MOSTLY: .6100 - .6200

NONFAT DRY MILK - WEST

Nonfat dry milk prices are steady in a very limited market test. The market tone is unsettled. The market is currently acting uncharacteristically. Typically, light offerings and rising prices signal a firm market. However, demand is light and buyers are only looking for short term needs. CCC sellback so far has totaled 2.6 million pounds at a price of \$1.1000. Producers' spot prices above the \$1.1000 level were being met with increased resistance. Buyers are cautious as they see only nearby tightness of the NDM market and expect offerings to increase as milk production increases in the next month. In addition, several DEIP deals should be finished soon. High heat prices are nominal. Resellers have NDM and are often offering at the low side of the price range. Producers' stocks are currently light.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0600 - 1.1450 MOSTLY: 1.1000 - 1.1400
HIGH HEAT: 1.1200 - 1.1650

DRY BUTTERMILK - WEST

Dry buttermilk prices are marginally higher and the market tone is slightly firm. Offerings are generally limited as churning schedules have been light and sales of condensed buttermilk good in recent weeks. This week, some additional churning and drying are taking place. Some interest from ice cream producers is still around, although lighter than during peak ice cream production. Stock levels are light.

BUTTERMILK: .9800 - 1.0400 MOSTLY: .9900 - 1.0000

DRY WHEY - WEST

Whey prices are generally steady, although the market tone is mixed. Domestic buyer interest is reported to be good with exports sales steady. Shipments continue out of the country. Stock are at fairly good levels at most production plants. Some producers are clearing their production with occasional delays in shipments while others are more balanced.

NONHYGROSCOPIC: .2350 - .2600 MOSTLY: .2400 - .2425

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended September 25, on powder sales of 9,827,106 pounds f.o.b. California manufacturing plants was \$1.0635 per pound. This compares to 12,369,301 pounds at \$1.0556 for the previous week ending September 18, 1998. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are mostly higher and nominal in the Northeast. The market tone is firm, but with CCC selling back NDM at \$1.1000, the number of the higher asking prices seems to have lessened. Prior to the CCC sell-back, it was common to hear resell sales in the \$1.15 - 1.20 area. Fewer reports, at these levels, were noted this week. Many traders and users have expressed interest in buying from CCC, but at the time of this report, relatively few have done so. Drying activity in the East remains light and few producers have powder to meet their commitments. Many are buying powder to supplement their own stocks and some are looking into buying from CCC. The call for condensed skim is holding up quite well which further detracts from drying schedules. Demand for NDM is good.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.1000 - 1.1400

HIGH HEAT: 1.1200 - 1.1600 MOSTLY: 1.1200 - 1.1400

DELVD SOUTHEAST:

ALL HEATS: 1.1300 - 1.1700

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are mostly higher and the market tone is firm. Production levels are steady to a little higher. Churning activity was up slightly and the call for condensed buttermilk is starting to slip seasonally. Producers' stocks are closely balanced with little on hand for immediate shipment. Demand has been fairly active and easily clearing output.

F.O.B. NORTHEAST: .9800 - 1.0000

DELVD SOUTHEAST: 1.0200 - 1.0625

DRY WHOLE MILK - NATIONAL

Prices are unchanged and nominal. Production levels are light as producers are often separating the milk to sell the cream and make NDM to take advantage of current prices for both those products. Plant stocks are closely balanced and demand is slow to fair. Export interest is slow to fair. Another DEIP bid for 200 MT was accepted during the week ending 9/18. This brings the current program's total to 2,080 MT, 41.6% of the total allocations.

F.O.B. PRODUCING PLANT: 1.5750 - 1.8500

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1998 THROUGH SEPTEMBER 25, 1998
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	32,558	MT (71,777,366 LBS)
CHANGE	--	92	MT (202,823 LBS)

WHOLE MILK POWDER	--	2,080	MT (4,585,568 LBS)
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CHEESE	--	1,225	MT (2,700,635 LBS)
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BUTTERFAT	--	0	MT
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REALLOCATED NDM	--	16,357	MT (36,060,642 LBS)
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Allocations for the DEIP year beginning July 1, 1998, are:
Nonfat dry milk - 84,212 MT; Whole Milk Powder - 5,003 MT;
Cheese - 3,350 MT; Butterfat - 29,854 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are steady to lower on Extra Grade whey, but Grade A prices held. The market tone in the East is weakening, but in firmer condition than some other regions. Production levels are mostly steady in the East. Output in other regions is up slightly and the sluggish demand has stocks accumulating at some Midwestern facilities. Eastern producers, particularly Grade A makers, continue to be in a balanced, comfortable position. Although, some Extra Grade loads are available for immediate shipment. Spot demand is slow and price discounts are more common. Spot buyers are waiting for better prices before getting back into the market. Traders have also been discounting prices to keep from accumulating powder.

F.O.B. NORTHEAST: EXTRA GRADE .2625 - .2875

USPH GRADE A .2850 - .2950

DELVD SOUTHEAST: .2950 - .3175

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report. Dry whey stocks are increasing in more areas, but still quite tight in the East. Some offering prices are lower and buyers seem to be waiting to make any additional purchases. Demand from feeders and feed makers has been and is slower than expected for this time of year.

F.O.B. NORTHEAST: MILK REPLACER TFWER

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production is mostly steady depending on fluid milk availability. Some plants are seeing a little more milk now that the Southeastern demand for milk seems to have eased from peak levels. Other operations still have lighter than desired receipts. Plant stocks are adequate for current needs, but holiday orders are starting to come in. Some advance purchases before milk prices increased may ease the holiday period sales.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$23.62 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Prices for both acid and rennet casein are unchanged, although the market tone is weak. With the fourth quarter just beginning, contacts anticipate that quarterly contract prices will be lower. Stocks of both types are readily available. Spot offerings continue to be available at lower prices than the reported ranges. During July, 8,067,721 kg of casein were imported into the United States. For the first 7 months of 1998, 39,978,806 kg of casein have entered the country. The January - July total is 14% heavier than the comparable period in 1997.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.0500 - 2.1000

ACID: 1.9500 - 2.1000

COFFEE, SUGAR, & COCOA EXCHANGE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	09/16	09/17	09/18	09/21	09/22	09/23	09/24	09/25	09/28	09/29	CSCE -
BFP -- Dollars per cwt.											
SEP 98	15.25 (159) 1	15.24 (159) 2	15.20 (161) 2	15.20 (163) 1	15.12 (163) 4	15.22 (164) 0	15.18 (163) 2	15.22 (163) 0	15.22 (163) 0	15.23 (163) 1	
OCT 98	15.20 (130) 0	15.21 (132) 6	15.30 (138) 9	15.55 (138) 3	15.61 (140) 2	15.65 (143) 20	15.75 (145) 2	15.81 (148) 3	15.75 (148) 1	15.91 (159) 13	
NOV 98	13.88 (41) 1	13.90 (45) 7	14.09 (44) 6	14.70 (53) 11	14.63 (53) 0	14.70 (63) 16	14.80 (67) 8	14.78 (74) 8	14.55 (74) 1	14.68 (79) 7	
DEC 98	13.45 (71) 2	13.45 (72) 1	13.60 (72) 1	14.00 (73) 3	14.10 (73) 0	14.05 (73) 0	14.05 (73) 0	14.05 (73) 2	13.90 (75) 0	13.80 (75) 0	
JAN 99	12.60 (31) 0	12.68 (31) 0	12.80 (31) 0	13.05 (33) 3	13.08 (33) 0	13.00 (35) 2	13.05 (35) 0	13.08 (37) 2	12.95 (37) 0	12.93 (37) 0	
FEB 99	12.60 (20) 0	12.60 (20) 0	12.70 (20) 0	12.75 (21) 1	12.88 (21) 1	12.75 (23) 2	12.75 (23) 0	12.65 (23) 0	12.63 (23) 0	12.63 (23) 0	
MAR 99	12.60 (8) 0	12.55 (8) 0	12.60 (8) 0	12.63 (0) 0	12.63 (8) 0	12.56 (8) 0	12.55 (8) 0	12.58 (8) 0	12.58 (8) 0	12.55 (8) 0	
APR 99	12.15 (25) 0	12.25 (25) 0	12.15 (25) 0	12.45 (30) 10	12.30 (35) 0	12.43 (40) 5	12.35 (50) 10	12.38 (55) 0	12.35 (55) 0	12.30 (50) 0	

CME - BUTTER -- Cents per pound

SEP 98	270.00 (17) 1	270.00 (8) 9	278.00 (5) 5	278.00 (1) 0							
OCT 98	240.50 (24) 1	240.50 (24) 0	243.00 (24) 0	243.00 (24) 0	245.50 (24) 1	248.00 (24) 0	250.00 (24) 0	250.00 (24) 0	252.50 (23) 1	257.50 (24) 2	

CME - BFP -- Dollars per cwt.

SEP 98	15.25 (503) 3	15.20 (519) 28	15.22 (514) 17	15.19 (500) 24	15.17 (503) 7	15.20 (503) 20	15.20 (511) 29	15.21 (511) 2	15.22 (514) 3	15.22 (514) 8	
OCT 98	15.20 (431) 12	15.22 (424) 79	15.30 (430) 108	15.54 (439) 51	15.63 (442) 30	15.67 (448) 34	15.77 (446) 30	15.79 (444) 21	15.80 (445) 5	15.90 (457) 48	
NOV 98	13.90 (261) 27	13.93 (263) 28	14.10 (259) 21	14.65 (267) 18	14.70 (266) 26	14.70 (270) 22	14.83 (268) 23	14.75 (266) 3	14.60 (278) 17	14.65 (297) 71	
DEC 98	13.42 (244) 12	13.46 (244) 16	13.62 (239) 14	13.96 (243) 22	14.10 (248) 6	14.00 (257) 18	14.03 (257) 21	14.00 (258) 6	13.90 (263) 8	13.88 (263) 3	
JAN 99	12.70 (103) 11	12.73 (108) 15	12.80 (111) 5	13.01 (113) 6	13.02 (112) 4	12.99 (114) 8	13.05 (116) 5	13.07 (118) 7	12.95 (118) 2	12.94 (118) 0	
FEB 99	12.60 (104) 4	12.60 (110) 8	12.65 (111) 1	12.77 (112) 3	12.78 (112) 0	12.75 (113) 2	12.75 (115) 3	12.65 (115) 0	12.64 (115) 0	12.61 (115) 1	
MAR 99	12.60 (103) 14	12.55 (106) 3	12.61 (117) 11	12.66 (120) 14	12.67 (130) 10	12.54 (130) 2	12.58 (134) 6	12.55 (136) 3	12.56 (136) 0	12.55 (137) 1	
APR 99	12.10 (14) 7	12.10 (14) 0	12.20 (14) 0	12.20 (14) 0	12.20 (14) 0	12.20 (14) 0	12.26 (14) 0	12.25 (17) 3	12.24 (17) 0	12.24 (17) 0	

CME - CHEDDAR CHEESE -- Cents per pound

SEP 98	164.00 (71) 0	166.25 (78) 11	166.50 (78) 0	167.00 (78) 0	167.00 (78) 0	167.25 (78) 1	168.50 (78) 2	168.50 (83) 5	169.00 (83) 1	169.00 (83) 0	
OCT 98	155.00 (1) 0	155.00 (1) 0	155.00 (1) 0	157.50 (1) 0	159.00 (1) 0	159.50 (1) 0	162.00 (1) 0	162.00 (1) 0	162.05 (1) 0	164.55 (1) 0	

1/ At the CSCE Open interest for NDM -- 44,000 pounds per contract, Cheddar Cheese -- 10,500 pounds per contract, Fluid Milk -- 50,000 pounds per contract, BFP -- 100,000 pounds per contract. At the CME Open interest for Cheddar Cheese -- 40,000 pounds per contract and BFP -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered September 21 - October 3, 1998

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: Milk production continues to decline seasonally. In Germany, reports indicate that production in the country is running behind previous year levels, while throughout Europe, reports are indicating that overall production is generally steady with last year. Following the announcement of the 11.5% increase in export refunds for skim milk powder, contacts are stating that this is having minimal, immediate impact. Additional factors such as a weaker U.S. dollar and light buyer interest is also having little effect on current prices and sales. International sales activity is slow and unaggressive. Some short term European buyer interest is surfacing from buyers that usually source needs from the Victoria, Australia region. This may be due to the recent natural gas plant explosion in the state. Russia's financial situation continues to concern most European traders. At this point, many traders do not have a very positive outlook for potential sales into the country during upcoming months.

BUTTER/BUTTEROIL: Butter and butteroil prices are generally steady to higher. Butter stocks are reported to be in close balance for current and projected needs. Overall stocks of fresh butter are reported to be minimally available. Traders are indicating that some PSA-butter is now becoming available at favorable prices, in relationship to current levels, but caution potential buyers of the age of the PSA-held butter.

82% BUTTERFAT:	1,950 - 2,150
99% BUTTERFAT:	2,400 - 2,700

SKIM MILK POWDER (SMP): Skim milk powder prices are unchanged to lower. The recent announcement of a 11.5% increase in the export refund for skim milk powder from 74 ecu to 82.5 ecu is having minimal impact on weakening prices at this time. Contacts are stating that a weaker U.S. dollar is probably having more of an impact than the refund adjustment. Overall buying interest is light and unaggressive. Traders do not foresee improved sales potential in the near future. Stocks of powder, although not excessive, are increasing as milk is being diverted away from cheese production and directed toward butter/powder due to potentially lighter cheese sales to the Russian market during upcoming months.

1.25% BUTTERFAT:	1,325 - 1,400
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WHOLE MILK POWDER (WMP): Whole milk powder prices are generally lower. Stocks are reported to be light. Low inventory levels of whole milk powder are common as most orders are filled with current production once an order has been booked. At this time, buyer interest is slow and unaggressive.

26% BUTTERFAT:	1,700 - 1,850
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SWEET WHEY POWDER: Whey prices are steady to weaker. Some traders feel that prices might be at the low point of the current price cycle. Although prices are low, overall buying interest remains light and unaggressive for human needs. Animal feed needs are also lighter as veal production is reported to be lower. Stocks of whey are sufficient for current needs, but with overall cheese output lower, stocks are not being enhanced to any great extent.

NONHYGROSCOPIC:	600 - 700
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OVERVIEW: EASTERN EUROPE: Conditions in Eastern Europe are much the same as in Western Europe. Traders are very concerned about Russian buyer interest during the upcoming winter months. At this point, stocks are generally available to meet buyer interest.

OCEANIA

OVERVIEW: A major fire late last week at a natural gas facility has shut down many manufacturing plants and affected consumers in Australia's state of Victoria, Australia's second most populous state. The plant supplies 80% of the natural gas in the area. Victoria is Australia's largest milk producing state and is also their major source of dairy exports. The problem has forced milk volumes to be dumped. This is reducing the dairy product supplies available domestically and for export. Milk supplies in Victoria were up 6.9% in August and 7.2% in July compared to a year ago. The increase in the EU export subsidy for skim milk, announced late last week, is cause for concern that skim milk prices may slip below the \$1,300 per ton level in the future. In New Zealand, early season production levels are not as strong as anticipated, in part to wet conditions in some areas and the carryover from last season's drought in others. Milk intakes are currently below year ago levels at some locations. Current supplies of products besides skim are limited. The economic problems in Asia and Russia remain a concern and may lead to price weakness later in the season. A few buyers have suggested that perhaps over-optimistic forecasts of early season milk production may be hampering actual sales of some products.

BUTTER: The butter market is steady. Inventories are very light as stocks from the last production year have been sold and shipped. Peak production for the new season has yet to appear at plants. Butteroil supplies are especially tight for some producers. Production has been impacted in Australia by plant shutdowns.

82% BUTTERFAT:	1,700 - 2,000
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CHEDDAR CHEESE: The cheese market is steady as offerings are seasonally light. Current production is already earmarked for customers. Current spot offerings are limited.

39% MAXIMUM MOISTURE:	1,850 - 2,000
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SKIM MILK POWDER (SMP): The skim market is unsettled to weak. Keeping inventories from accumulating remains a producer concern. The recent increase by the EU export subsidy added another potential source for weakness as exporters compete for business. Prices are unchanged at present though prices may continue to trend lower as production builds seasonally.

1.25% BUTTERFAT:	1,300 - 1,350
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WHOLE MILK POWDER (WMP): The whole milk market is steady. Offerings are light. The continued plan to increase cheese production at the expense of butter/powder and whole milk is keeping production at low levels.

26% BUTTERFAT:	1,650 - 1,700
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Exchange rates for selected foreign currencies: September 28, 1998

.5295 Dutch Guilder	.5967 German Mark
.1780 French Franc	.4963 New Zealand Dollar
.0989 Mexican Peso	.5903 Australian Dollar
1.7063 British Pound	.0074 Japanese Yen
.2805 Polish Zloty	

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0989) = 10.1112$. That is 1 US Dollar equals 10.1112 Mexican Pesos.
Source: "Wall Street Journal"

MONTHLY SUMMARY AND AVERAGES FOR SEPTEMBER 1998 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 35		::REPORT NUMBER 36		::REPORT NUMBER 37		::REPORT NUMBER 38		::REPORT NUMBER 39		1998	1997
	::-----		::-----		::-----		::-----		::-----		Average	Average
	:: SEP 01 - 04		:: SEP 07 - 11		:: SEP 14 - 18		:: SEP 21 - 25		:: SEP 28 - 30		or Total	or Total
BUTTER												
CHICAGO MERCANTILE EXCHANGE 2/ - CASH TRADING												
-- Grade AA	::	2.8100	::	2.7900	::	2.8100	::	2.8000	::		2.7566	1.1103
WHOLESALE SELLING DIFFERENTIALS, F.O.B. - BULK - TRUCKLOAD QUANTITIES*												
-- Grade AA												
Northeast	::	+4300 - +5.00	::	+3.00 - +5.00	::	+3.00 - +5.00	::	+3.00 - +5.00	::	+3.00 - +5.00	N.A.	N.A.
Central	::	0.00 - +4.00	::	0.00 - +4.00	::	0.00 - +4.00	::	0.00 - +4.00	::	0.00 - +4.00	N.A.	N.A.
West	::	0.00 - +4.00	::	-2.00 - +2.00	::	-2.00 - +2.00	::	-2.00 - +2.00	::	-3.00 - 0.00	N.A.	N.A.
CHEESE												
MIDWEST COMMODITY CHEDDAR												
-- Cheddar Barrels	::	1.4825 - 1.5125	::	1.5650 - 1.5950	::	1.6525 - 1.6825	::	1.7125 - 1.7325	::	1.7500 - 1.7900	1.6462	N.A.
-- Cheddar 40# Blocks	::	1.6475 - 1.6875	::	1.6575 - 1.6925	::	1.6650 - 1.7050	::	1.7400 - 1.7700	::	1.7575 - 1.8025	1.7100	N.A.
WISCONSIN (WSP, Delivered, LTL)												
-- Process American 5# Loaf	::	1.6625 - 1.8700	::	1.7550 - 1.8700	::	1.8325 - 1.9100	::	1.8825 - 2.0200	::	1.9200 - 2.0200	1.8732	1.5677
-- Brick And/Or Muenster 5#	::	1.9500 - 2.1400	::	1.9500 - 2.1400	::	1.9500 - 2.1575	::	2.0000 - 2.2025	::	2.0000 - 2.2400	2.0712	1.7486
-- Cheddar 40# Block	::	1.9150 - 1.9700	::	1.9150 - 1.9700	::	1.9150 - 1.9700	::	1.9150 - 2.0200	::	1.9150 - 2.0225	1.9522	1.7788
-- Monterey Jack 10#	::	1.9150 - 2.1400	::	1.9150 - 2.1400	::	1.9150 - 2.1400	::	1.9150 - 2.1900	::	1.9150 - 2.2225	2.0393	1.8761
-- Blue 5#	::	2.2650 - 2.5100	::	2.2650 - 2.5100	::	2.2925 - 2.5100	::	2.3375 - 2.5600	::	2.3750 - 2.5600	2.4168	2.0932
-- Mozzarella 5 - 6#	::	1.9150 - 2.0300	::	1.9150 - 2.0300	::	1.9150 - 2.0300	::	1.9150 - 2.0800	::	1.9150 - 2.1025	1.9836	1.8082
-- Grade A Swiss Cuts 6 - 9#	::	2.4000 - 2.4850	::	2.4000 - 2.4850	::	2.4000 - 2.4850	::	2.4000 - 2.4850	::	2.4000 - 2.4850	2.4425	2.2925
NORTHEAST (WSP, Delivered, LTL)												
-- Cheddar 10# Prints	::	1.6600 - 2.1400	::	1.6600 - 2.1400	::	1.6775 - 2.1575	::	1.7225 - 2.2025	::	1.7625 - 2.2425	1.9337	1.6313
-- Cheddar Single Daisies	::	1.6300 - 2.1450	::	1.6300 - 2.1450	::	1.6475 - 2.1625	::	1.6925 - 2.2075	::	1.7325 - 2.2475	1.9212	1.6188
-- Cheddar 40# Block	::	1.7950 - 1.9450	::	1.7950 - 1.9450	::	1.8125 - 1.9625	::	1.8575 - 2.0075	::	1.8975 - 2.0475	1.9037	1.6050
-- Process 5# Loaf	::	1.6950 - 1.8275	::	1.6950 - 1.9200	::	1.8450 - 1.9975	::	1.8950 - 2.0475	::	1.9375 - 2.0900	1.8942	1.6131
-- Process 5# Sliced	::	1.7225 - 1.8875	::	1.7225 - 1.9800	::	1.8750 - 2.0575	::	1.9250 - 2.1075	::	1.9675 - 2.1500	1.9388	1.6406
-- Muenster	::	1.8275 - 2.1525	::	1.8275 - 2.1525	::	1.8450 - 2.1700	::	1.8900 - 2.2150	::	1.9300 - 2.2550	2.0237	1.7588
-- Grade A Swiss Cuts 10 - 14#	::	2.2500 - 2.5050	::	2.2500 - 2.5050	::	2.2500 - 2.5050	::	2.2500 - 2.5050	::	2.2500 - 2.5050	2.3775	2.3775
WEST COAST (WSP, Delivered, LTL)												
-- Process 5# Loaf	::	1.6875 - 1.9050	::	1.7800 - 1.9975	::	1.8575 - 2.0750	::	1.8900 - 2.1250	::	1.9100 - 2.1625	1.9389	1.6340
-- Cheddar 40# Block	::	1.8200 - 1.9200	::	1.8200 - 1.9200	::	1.8375 - 1.9375	::	1.8525 - 1.9825	::	1.8725 - 2.0225	1.8965	1.6525
-- Cheddar 10# Cuts	::	2.0000 - 2.1800	::	2.0000 - 2.1800	::	2.0175 - 2.1975	::	2.0625 - 2.2425	::	2.0825 - 2.2825	2.1223	1.8325
-- Monterey Jack 10#	::	2.0100 - 2.1425	::	2.0100 - 2.1425	::	2.0275 - 2.1600	::	2.0725 - 2.2050	::	2.0925 - 2.2450	2.1085	1.7963
-- Grade A Swiss Cuts 6 - 9#	::	2.3600 - 2.4300	::	2.3600 - 2.4300	::	2.3700 - 2.4300	::	2.3700 - 2.4500	::	2.3900 - 2.4900	2.4062	2.4488
FLUID AND DRY PRODUCTS												
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)												
-- Northeast - f.o.b.	::	3.0453 - 3.3562	::	3.6530 - 3.9902	::	3.4038 - 3.9758	::	3.5406 - 3.9902	::	3.5280 - 3.9567	3.6473	1.5246
-- Atlanta - Delvd equivalent	::	2.9984 - 3.2795	::	3.6530 - 3.9340	::	3.5712 - 3.9060	::	3.5968 - 3.9340	::	3.5840 - 3.9200	3.6431	1.5249
-- Upper Midwest - f.o.b.	::	3.0921 - 3.1624	::	3.5968 - 3.8080	::	3.5712 - 3.7665	::	3.6530 - 3.8080	::	3.5840 - 3.8080	3.5906	1.5175
SPOT PRICES OF CONDENSED SKIM (\$ per lb. wet solids)												
-- Northeast - f.o.b.	::	0.8000 - 1.0500	::	0.8000 - 1.0500	::	0.8000 - 1.0500	::	0.8000 - 1.0900	::	0.8000 - 1.0500	0.9298	0.9977
WISCONSIN FLUID MILK SHIPMENTS												
-- Loads Shipped from Wisconsin Shipping Points	::	23	::	78	::	83	::	51	::		235	269
NATIONAL EVAPORATED MILK (\$ per Case)												
(Case - 48 - 12 fluid oz cans)												
-- Delivered Major U.S. Cities	::	23.6200 -33.0000	::	23.6200 -33.0000	::	23.6200 -33.0000	::	23.6200 -33.0000	::	23.6200 -33.0000	28.3100	27.7500

* Figures represent the range in premiums or discounts (cents/pound) from the previous week's CME Grade AA cash butter close. Zero (0.00) differential is the same as flat market.

MONTHLY SUMMARY AND AVERAGES FOR SEPTEMBER 1998 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 35	REPORT NUMBER 36	REPORT NUMBER 37	REPORT NUMBER 38	REPORT NUMBER 39	1998	1997
	SEP 01 - 04	SEP 07 - 11	SEP 14 - 18	SEP 21 - 25	SEP 28 - 30	Average	Average
						or Total	or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central (f.o.b.)							
-- Low/Medium Heat	:: 1.0450 - 1.1000	:: 1.0700 - 1.1200	:: 1.0800 - 1.1300	:: 1.0800 - 1.1500	:: 1.0800 - 1.1500	:: 1.1007	: N.A.
-- Mostly	:: 1.0500 - 1.0600	:: 1.0700 - 1.0900	:: 1.0800 - 1.1000	:: 1.0800 - 1.1000	:: 1.0800 - 1.1000	:: 1.0814	: N.A.
-- West (f.o.b.)							
-- Low/Medium Heat	:: 1.0350 - 1.1000	:: 1.0600 - 1.1300	:: 1.0600 - 1.1450	:: 1.0600 - 1.1450	:: 1.0600 - 1.1450	:: 1.0944	: 1.0475
-- Mostly	:: 1.0600 - 1.0700	:: 1.0800 - 1.1200	:: 1.1000 - 1.1400	:: 1.1000 - 1.1400	:: 1.1000 - 1.1400	:: 1.1057	: 1.0411
-- High Heat	:: 1.0600 - 1.1250	:: 1.1000 - 1.1650	:: 1.1200 - 1.1650	:: 1.1200 - 1.1650	:: 1.1200 - 1.1650	:: 1.1311	: 1.0686
-- Northeast (f.o.b.)							
-- Low/Medium Heat	:: 1.0400 - 1.0800	:: 1.0600 - 1.0900	:: 1.0700 - 1.1000	:: 1.0700 - 1.1200	:: 1.1000 - 1.1400	:: 1.0857	: N.A.
-- High Heat	:: 1.0800 - 1.1200	:: 1.0900 - 1.1200	:: 1.0900 - 1.1200	:: 1.1000 - 1.1500	:: 1.1200 - 1.1600	:: 1.1138	: N.A.
-- Mostly	:: 1.0800 - 1.1000	:: 1.1000 - 1.1200	:: 1.1000 - 1.1200	:: 1.1000 - 1.1200	:: 1.1200 - 1.1400	:: 1.1090	: N.A.
-- Southeast (Delvd)							
-- Extra & Grade A	:: 1.0700 - 1.1100	:: 1.0825 - 1.1400	:: 1.1000 - 1.1400	:: 1.1100 - 1.1500	:: 1.1300 - 1.1700	:: 1.1193	: 1.0812
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.2750 - 0.3000	:: 0.2750 - 0.3000	:: 0.2675 - 0.3000	:: 0.2675 - 0.2975	:: 0.2600 - 0.2950	:: 0.2840	: 0.2500
-- Mostly	:: 0.2800 - 0.2825	:: 0.2800 - 0.2850	:: 0.2800 - 0.2875	:: 0.2800 - 0.2875	:: 0.2800 - 0.2825	:: 0.2827	: 0.2486
-- West (f.o.b.)	:: 0.2350 - 0.2575	:: 0.2350 - 0.2575	:: 0.2350 - 0.2600	:: 0.2350 - 0.2600	:: 0.2350 - 0.2600	:: 0.2470	: 0.2188
-- Mostly	:: 0.2350 - 0.2425	:: 0.2350 - 0.2425	:: 0.2375 - 0.2425	:: 0.2400 - 0.2425	:: 0.2400 - 0.2425	:: 0.2400	: 0.2160
-- Northeast Extra Grade (f.o.b.)	:: 0.2800 - 0.2875	:: 0.2800 - 0.2875	:: 0.2800 - 0.2875	:: 0.2800 - 0.2875	:: 0.2625 - 0.2875	:: 0.2825	: 0.2461
-- Northeast Usph Grade A(f.o.b.)	:: 0.2850 - 0.2950	:: 0.2850 - 0.2950	:: 0.2850 - 0.2950	:: 0.2850 - 0.2950	:: 0.2850 - 0.2950	:: 0.2900	: 0.2593
-- Southeast Extra Grade (Delvd)	:: 0.3150 - 0.3225	:: 0.3150 - 0.3250	:: 0.3150 - 0.3250	:: 0.3150 - 0.3250	:: 0.2950 - 0.3175	:: 0.3178	: 0.2729
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 0.5800 - 0.6150	:: 0.5850 - 0.6200	:: 0.5900 - 0.6325	:: 0.6000 - 0.6325	:: 0.6000 - 0.6350	:: 0.6090	: 0.6061
-- Mostly	:: 0.5950 - 0.6050	:: 0.6050 - 0.6125	:: 0.6100 - 0.6150	:: 0.6100 - 0.6200	:: 0.6100 - 0.6200	:: 0.6104	: 0.6085
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.2400 - 0.2700	:: 0.2400 - 0.2700	:: 0.2400 - 0.2750	:: 0.2400 - 0.2700	:: 0.2400 - 0.2650	:: 0.2552	: 0.2283
-- Standard	:: 0.2100 - 0.2350	:: 0.2200 - 0.2350	:: 0.2200 - 0.2400	:: 0.2200 - 0.2400	:: 0.2200 - 0.2350	:: 0.2277	: TFEWR
-- Roller Ground	:: 0.2900 - 0.2950	:: 0.2900 - 0.2975	:: 0.2900 - 0.2975	:: 0.2900 - 0.2975	:: 0.2900 - 0.2975	:: 0.2935	: 0.2454
-- Delactose	:: 0.3275 - 0.3625	:: 0.3275 - 0.3600	:: 0.3275 - 0.3600	:: 0.3275 - 0.3600	:: 0.3275 - 0.3600	:: 0.3440	: 0.3473
-- Northeast (f.o.b.)							
-- Milk Replacer	:: TFEWR	:: TFEWR	:: TFEWR	:: TFEWR	:: TFEWR	:: TFEWR	: TFEWR
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	:: 0.9300 - 0.9900	:: 0.9350 - 0.9900	:: 0.9500 - 1.0100	:: 0.9600 - 1.0275	:: 0.9600 - 1.0275	:: 0.9781	: 1.0598
-- West (f.o.b.)	:: 0.9350 - 1.0000	:: 0.9500 - 1.0100	:: 0.9600 - 1.0300	:: 0.9700 - 1.0400	:: 0.9800 - 1.0400	:: 0.9914	: 1.0314
-- Mostly	:: 0.9500 - 0.9800	:: 0.9600 - 0.9900	:: 0.9700 - 1.0000	:: 0.9800 - 1.0000	:: 0.9900 - 1.0000	:: 0.9819	: 1.0167
-- Northeast (f.o.b.)	:: 0.9450 - 0.9800	:: 0.9500 - 0.9800	:: 0.9500 - 0.9850	:: 0.9500 - 0.9975	:: 0.9800 - 1.0000	:: 0.9708	: 1.0543
-- Southeast (Delvd)	:: 0.9700 - 1.0275	:: 0.9700 - 1.0275	:: 0.9700 - 1.0450	:: 0.9700 - 1.0625	:: 1.0200 - 1.0625	:: 1.0111	: 1.1040
WHOLE MILK POWDER							
-- National							
-- F.O.B. Producing Plant	:: 1.5200 - 1.6200	:: 1.5750 - 1.8500	:: 1.5750 - 1.8500	:: 1.5750 - 1.8500	:: 1.5750 - 1.8500	:: 1.6854	: 1.2758
LACTOSE							
-- Central And West (f.o.b.)	:: 0.1625 - 0.2400	:: 0.1625 - 0.2400	:: 0.1625 - 0.2400	:: 0.1625 - 0.2400	:: 0.1600 - 0.2400	:: 0.2011	: 0.2345
-- Mostly	:: 0.1750 - 0.1900	:: 0.1750 - 0.1900	:: 0.1750 - 0.1900	:: 0.1750 - 0.1900	:: 0.1700 - 0.1900	:: 0.1821	: 0.2271
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 2.0500 - 2.1000	:: 2.0500 - 2.1000	:: 2.0500 - 2.1000	:: 2.0500 - 2.1000	:: 2.0500 - 2.1000	:: 2.0750	: 2.2386
-- Nonrestricted - Acid	:: 1.9500 - 2.1000	:: 1.9500 - 2.1000	:: 1.9500 - 2.1000	:: 1.9500 - 2.1000	:: 1.9500 - 2.1000	:: 2.0250	: 2.0500

1/ Prices for all products not footnoted 2/ are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing. 2/ The monthly averages are based on the exchange trading date prices and are time-weighted for each day, starting with the exchange trading date, until the next exchange trading date - Saturdays, Sundays, and National Holidays are included.

CHICAGO MERCANTILE EXCHANGE MONTHLY SUMMARY AND AVERAGES FOR SEPTEMBER 1998

COMMODITY	::REPORT NUMBER 35	::REPORT NUMBER 36	::REPORT NUMBER 37	::REPORT NUMBER 38	::REPORT NUMBER 39	:: 1998	: 1997
	::-----	::-----	::-----	::-----	::-----	:: Average*	: Average
	:: SEP 1 - 4	:: SEP 7 - 11	:: SEP 14 - 18	:: SEP 21 - 25	:: SEP 28 - 30	::	:

NOTE: Daily spot trading on cheese and nonfat dry milk began on Tuesday, September 1, 1998.

CHEESE

-- Barrels							
--Monday	::	::	Holiday	::	1.6950	::	1.7475 :: 1.7525 ::
--Tuesday	::	1.5000	::	1.6325	::	1.6950	:: 1.7500 :: 1.7525 ::
--Wednesday	::	1.5750	::	1.6575	::	1.6950	:: 1.7525 :: 1.7525 ::
--Thursday	::	1.6300	::	1.6650	::	1.7350	:: 1.7525 ::
--Friday	::	1.6325	::	1.6950	::	1.7475	:: 1.7525 :: 1.6937 : N.A.
-- Weekly Average**	::	1.5844	::	1.6625	::	1.7135	:: 1.7510 :: --- :: --- :
-- 40# Blocks							
--Monday	::	::	Holiday	::	1.7050	::	1.7475 :: 1.7725 ::
--Tuesday	::	1.6575	::	1.6575	::	1.7050	:: 1.7475 :: 1.7725 ::
--Wednesday	::	1.6575	::	1.6575	::	1.7050	:: 1.7525 :: 1.7825 ::
--Thursday	::	1.6575	::	1.6800	::	1.7350	:: 1.7725 ::
--Friday	::	1.6575	::	1.7050	::	1.7475	:: 1.7725 :: 1.7165 : N.A.
-- Weekly Average**	::	1.6575	::	1.6750	::	1.7195	:: 1.7585 :: --- :: --- :

NONFAT DRY MILK

-- Extra Grade							
--Monday	::	::	Holiday	::	1.1400	::	1.1650 :: 1.1650 ::
--Tuesday	::	1.0900	::	1.1300	::	1.1650	:: 1.1650 :: 1.1650 ::
--Wednesday	::	1.1075	::	1.1300	::	1.1650	:: 1.1650 :: 1.1650 ::
--Thursday	::	1.1175	::	1.1300	::	1.1650	:: 1.1650 ::
--Friday	::	1.1175	::	1.1300	::	1.1650	:: 1.1650 :: 1.1463 : N.A.
-- Weekly Average**	::	1.1081	::	1.1300	::	1.1600	:: 1.1650 :: --- :: --- :
-- Grade A							
--Monday	::	::	Holiday	::	1.1600	::	1.1650 :: 1.1625 ::
--Tuesday	::	1.1000	::	1.1600	::	1.1650	:: 1.1625 :: 1.1625 ::
--Wednesday	::	1.1175	::	1.1600	::	1.1650	:: 1.1625 :: 1.1625 ::
--Thursday	::	1.1275	::	1.1600	::	1.1650	:: 1.1625 ::
--Friday	::	1.1300	::	1.1600	::	1.1650	:: 1.1625 :: 1.1542 : N.A.
-- Weekly Average**	::	1.1188	::	1.1600	::	1.1640	:: 1.1630 :: --- :: --- :

* Monthly average is a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

** Weekly averages are simple averages of the closes during the calendar week and are for informational purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

SEPTEMBER 1998 DEIP BID ACCEPTANCE

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
AUGUST 1998		31,571		
09/01	ASIA & FSU	20	SEP	\$961
09/04	CARIBBEAN, CENT & S. AM	175	SEP-OCT	\$964
09/04	AFRICA & MIDDLE EAST	300	SEP-OCT	\$990
09/11	AFRICA & MIDDLE EAST	400	OCT-APR	\$990
09/23	CARIBBEAN, CENT & S. AM	90	OCT-DEC	\$960
09/24	AFRICA & MIDDLE EAST	2	SEP-OCT	\$987
09/29	CARIBBEAN, CENT & S. AM	18	SEP-OCT	\$1,000
SEPTEMBER 1 - 30, 1998		<u>1,005</u>		
PROGRAM TO DATE		32,576		
WHOLE MILK POWDER				
AUGUST 1998		1,880		
09/16	CARIBBEAN, CENT & S. AM	200	OCT-MAY	\$1,275
SEPTEMBER 1 - 30, 1998		<u>200</u>		
PROGRAM TO DATE		2,080		
CHEESE				
AUGUST 1998		1,110		
09/03-P	CARRIBEAN, CENT & S. AM	51	SEP-JAN	\$1,082
09/04-M	AFRICA & MIDDLE EAST	20	SEP-APR	\$1,500
09/11-P	CARIBBEAN, CENT & S. AM	25	SEP-JAN	\$1,170.46
09/14-P	CARIBBEAN, CENT & S. AM	19	SEP-FEB	\$1,192
SEPTEMBER 1 - 30, 1998		<u>115</u>		
PROGRAM TO DATE		1,225		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE				
BUTTEROIL/ANHYDROUS MILKFAT				
AUGUST 1998		0		
SEPTEMBER 1 - 30, 1998		<u>0</u>		
PROGRAM TO DATE		0		
TOTAL MT				PROGRAM-TO-DATE
TOTAL BONUS VALUE				35,881
				\$35,655.000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds.

SOURCE: FOREIGN AGRICULTURAL SERVICE

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE PERIOD OF SEPTEMBER 28 - 30, 1998				CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES		
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD		
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/97	LAST YEAR	09/25/98	LAST YEAR		
BUTTER									
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE									
Block	-0-	-0-	-0-	-0-	330,284	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	392,874	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	1,184,400	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	1,907,558	-0-	-0-	-0-	-0-
NONFAT DRY MILK									
Nonfortified	-0-	-0-	-0-	121,272,543	31,917,042	42,802,000	-0-	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	121,272,543	31,917,042	42,802,000	-0-	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**	MILKFAT*	SKIM**
	BASIS	SOLIDS	BASIS	SOLIDS
PERIOD OF SEPTEMBER 28 - 30, 1998 =	0.0	0.0	COMPARABLE WEEK IN 1997 =	0.2
CUMULATIVE SINCE OCTOBER 1, 1997 =	26.7	1,411.6	CUMULATIVE SAME PERIOD LAST YEAR =	24.6
CUMULATIVE JANUARY 1 - SEPTEMBER 30, 1998 =	25.0	1,320.2	COMPARABLE CALENDAR YEAR 1997 =	24.6
				390.4

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/97 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL									
REGION	1997/98	1996/97	1997/98	CHEESE	1996/97	1997/98	NONFAT DRY MILK	1996/97	MILK EQUIVALENT
MIDWEST	-0-	-0-	-0-	1,514,684	11,550,729	-0-	9.6	56.8	56.8
WEST	-0-	-0-	-0-	392,874	109,435,271	31,917,042	90.2	43.2	43.2
EAST	-0-	-0-	-0-	-0-	286,543	-0-	0.2	0.0	0.0
TOTAL	-0-	-0-	-0-	1,907,558	121,272,543	31,917,042	100.0	100.0	100.0

SELLBACK TO THE TRADE NONFAT DRY MILK (POUNDS) MILK EQUIVALENT - MILKFAT BASIS* - MILLION POUNDS

PERIOD OF SEPTEMBER 25 - 30	1,812,950	0.4
CUMULATIVE SINCE 10/1/97	2,197,791	0.5

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1998

MANUFACTURING MILK: Average Test 3.67% - \$10.05 per cwt.; 3.5% - \$9.95

DOLLARS PER POUND**BUTTER:** Bulk \$.6500; 1# Prints \$.6800**CHEESE:** 40 & 60# Blocks \$1.1150; 500# Barrels \$1.0850; Process American 5# \$1.1675; Process American 2# \$1.2075**NONFAT DRY MILK:** Nonfortified \$1.0280; Fortified \$1.0380; Instant \$1.1855

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 09/12/98 & Comparable Week 1997 1/ 2/													
Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL	% DAIRY OF ALL	
											WEEK	SINCE JAN 1	WEEK
1998-Dairy cows HD (000)	0.2	1.4	5.1	4.6	15.6	2.4	2.5	0.8	8.4	2.3	43.3	1,867.5	43.7
1997-Dairy cows HD (000)	0.4	1.8	6.9	6.3	21.4	3.2	3.3	1.2	9.2	3.1	56.9	2,026.1	45.9
1998-All cows HD (000)	0.3	1.4	7.0	14.6	21.7	17.8	15.5	4.4	10.5	5.8	99.0	4,093.5	46.0
1997-All cows HD (000)	0.4	1.8	9.5	19.0	29.8	18.6	18.7	7.3	11.9	7.2	124.1	4,408.6	

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

FISCAL YEAR (OCTOBER 1 - SEPTEMBER 30) CCC MARKET PRICE PURCHASES

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/97 =	88,314,940	CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/97 =	85,979
CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/96 =	89,409,375	CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/96 =	12,521,747

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99				